Consolidated Financial Statements

SUNRISE INTERNATIONAL INC.

September 30, 2002

Pennock Acheson Nielsen Devaney

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Pennock Acheson Nielsen Devaney
Chartered Accountants

701 Toronto Dominion Tower
10088 - 102 Avenue
Edmonton, Alberta T5J 2Z1

Telephone: (780) 496-7774
Facsimile: (780) 423-0582

Auditors' Report

To the Shareholders of
Sunrise International Inc.

We have audited the consolidated balance sheet of **Sunrise International Inc.** as at September 30, 2002 and the consolidated statements of earnings and retained earnings and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2002 and the results of its operations and the cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at September 30, 2001 and for the year ended September 30, 2001 were audited by other auditors who expressed an opinion without reservation on those statements in their report dated December 10, 2001.

Pennock Acheson Nielsen Devaney

Chartered Accountants

January 13, 2003

SUNRISE INTERNATIONAL INC.
Consolidated Balance Sheet
As at September 30, 2002

		2002		2001
ASSETS				(Note 17)
CURRENT				
Cash	$	650,547	$	-
Accounts receivable		1,331,670		2,114,565
Inventories		1,264,041		1,664,390
Prepaid expenses and deposits		340,629		527,304
Future income taxes (Note 10)		130,000		330,000
Notes receivable (Note 3)		1,125,478		625,000
Assets designated for disposal (Note 12)		1,108,616		-
		5,950,981		5,261,259
NOTES RECEIVABLE (Note 3)		144,976		-
PROPERTIES HELD FOR DEVELOPMENT (Note 4)		2,260,157		1,589,241
RENTAL PROPERTIES (Note 5)		2,912,216		3,957,423
CAPITAL ASSETS (Note 6)		20,093,867		20,187,672
INVESTMENTS IN AND ADVANCES TO SIGNIFICANTLY INFLUENCED COMPANIES AND PARTNERSHIPS (Note 7)		1,917,797		3,021,775
FUTURE INCOME TAXES (Note 10)		115,000		80,000
GOODWILL (Note 8)		393,568		416,944
	$	33,788,562	$	34,514,314
LIABILITIES				
CURRENT				
Bank indebtedness	$	-	$	192,988
Accounts payable and accrued liabilities		1,912,115		1,632,590
Income taxes payable		206,738		456,743
Estimated income taxes (Note 10)		535,000		500,000
Current portion of long-term debt (Note 9)		1,763,395		1,556,067
		4,417,248		4,338,388
LONG-TERM DEBT (Note 9)		15,038,844		15,683,987
ESTIMATED INCOME TAXES (Note 10)		470,000		755,000
FUTURE INCOME TAXES (Note 10)		1,570,000		2,155,000
		21,496,092		22,932,375
CONTINGENCIES AND COMMITMENTS (Note 13)				
SHAREHOLDERS' EQUITY				
Share capital (Note 11)		12,087,776		12,087,776
Contributed surplus		91,610		91,610
Retained earnings (deficit)		113,084		(597,447)
		12,292,470		11,581,939
	$	33,788,562	$	34,514,314

APPROVED BY THE BOARD

.... Director

.... Director

SUNRISE INTERNATIONAL INC.
Consolidated Statement of Earnings and Retained Earnings
Year Ended September 30, 2002

	2002	2001 (Note 17)
INCOME		
Sales		
Tourism and hotels	$ 14,210,397	$ 14,293,294
Retail	4,949,210	4,766,926
Rental	623,379	1,194,199
Other	100,366	140,262
	19,883,352	20,394,681
EXPENSES		
Cost of sales		
Tourism and hotels	1,758,821	2,008,537
Retail	3,778,662	3,355,235
Rental	90,710	197,764
Bad debts (recovered)	(43,376)	82,842
General and administrative expenses	11,015,365	10,828,060
	16,600,182	16,472,438
EARNINGS BEFORE THE FOLLOWING	3,283,170	3,922,243
OTHER CHARGES (INCOME)		
Depreciation and amortization	1,720,383	1,890,721
Interest		
Long-term debt	913,440	1,428,478
Operating interest and bank charges	176,005	166,107
Gain on sale of capital assets, properties held for development and rental properties	(1,323,341)	(898,285)
Loss from significantly influenced companies and partnerships	1,254,382	460,968
Management fees from significantly influenced companies	-	(514,000)
	2,740,869	2,533,989
EARNINGS BEFORE INCOME TAXES	542,301	1,388,254
INCOME TAX RECOVERY (Note 10)	168,230	254,000
NET EARNINGS	710,531	1,642,254
(DEFICIT) RETAINED EARNINGS, BEGINNING OF YEAR	(597,447)	15,299
CHANGE IN ACCOUNTING POLICY (Note 2)	-	(2,255,000)
AS RESTATED	(597,447)	(2,239,701)
RETAINED EARNINGS (DEFICIT), END OF YEAR	$ 113,084	$ (597,447)
BASIC AND DILUTED EARNINGS PER SHARE (Note 11)	$ 0.016	$ 0.037

SUNRISE INTERNATIONAL INC.
Consolidated Statement of Cash Flows
Year Ended September 30, 2002

	2002	2001
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		(Note 17)
OPERATING		
Net earnings	$ 710,531	$ 1,642,254
Items not affecting cash		
Future income taxes (Note 10)	(420,000)	(750,000)
Depreciation and amortization	1,720,383	1,890,721
Loss from significantly influenced companies and partnerships	1,254,382	460,968
Gain on disposal of capital assets, properties held for development and rental properties	(1,323,341)	(898,285)
	1,941,955	2,345,658
Changes in non-cash operating working capital items (Note 14)	1,434,439	(403,085)
	3,376,394	1,942,573
FINANCING		
Proceeds from long-term debt	1,294,694	132,263
Repayment of long-term debt	(1,761,934)	(1,575,038)
Estimated income taxes	(285,000)	(521,000)
	(752,240)	(1,963,775)
INVESTING		
Proceeds from disposal of rental properties	2,405,465	850,313
Proceeds from disposal of capital assets	903,256	293,464
Proceeds from disposal of properties held for development	-	951,089
Purchase of capital assets	(3,512,071)	(776,441)
Purchase of properties held for development	(670,916)	(497,340)
Purchase of rental properties	(110,495)	(291,328)
Issue of notes receivable	(1,270,454)	(124,440)
Proceeds from notes and long-term receivables	625,000	1,660
Advances to partnerships, significantly influenced companies and other investments	(400,404)	(2,118,481)
Dividends received from significantly influenced companies	250,000	300,000
	(1,780,619)	(1,411,504)
NET CASH INFLOW (OUTFLOW)	843,535	(1,432,706)
(BANK INDEBTEDNESS) CASH, BEGINNING OF YEAR	(192,988)	1,239,718
CASH (BANK INDEBTEDNESS), END OF YEAR	$ 650,547	$ (192,988)
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	$ 1,103,915	$ 1,440,812
Income taxes	751,775	414,614
	$ 1,855,690	$ 1,855,426

1. DESCRIPTION OF BUSINESS

The Company is a holding company incorporated under the Business Corporations Act (Alberta). Its shares are traded on the TSX Venture Exchange.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant inter-company transactions have been eliminated. The wholly owned operating subsidiaries are:

Jasper Inn Investments Ltd.	581519 Alberta Ltd.
Maligne Tours Ltd.	810473 Alberta Ltd.
Pyramid Construction Inc.	373568 Alberta Ltd.
Yellowhead Equipment Inc.	Terracana Ranch & Resort Ltd.
Sunrise Investments Inc.	

2. ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Inventories

Inventories are valued at the lower of cost and net realizable value.

Properties Held for Development

Properties held for development are recorded at cost which includes the original purchase price, acquisition costs, interest on debt specifically related to the acquisition of the land, property taxes, and where applicable, development costs. Properties held for development are written down to estimated net realizable value in the year in which management determines that a permanent decline in value has occurred.

Rental Properties and Capital Assets

The Company records rental properties and capital assets at cost. Rental properties and capital assets acquired in 1989 from related parties were recorded at their fair market values at the time of transfer. Depreciation on these assets is provided using the following annual rates and methods:

Rental buildings	4% declining-balance
Tourism and hotel buildings	4% declining-balance
Retail buildings	5% declining-balance
Condominiums	4% declining-balance

2. ACCOUNTING POLICIES (Continued)

Rental Properties and Capital Assets (continued)

Tourism marine vessels	15% declining-balance
Parking lots	8% declining-balance
Furniture and equipment	10% - 30% declining-balance
Vehicles and machinery	30% declining-balance
Signs	25% declining-balance

Assets identified as being on leased land are depreciated on a straight-line basis over the terms of their respective lease.

The Company's land leases are within Jasper National Park and have various lease expiry dates between 2007 and 2022.

Investments In and Advances to Partnerships, Significantly Influenced Companies and Other Investments

Investments in companies in which the Company has significant influence and in partnerships are accounted for on the equity basis. Other investments are recorded at cost. Investments are written down when management has determined there has been a permanent decline in value.

Goodwill

The excess of the cost of investments in subsidiaries over the fair value of the net assets acquired is recorded as goodwill. Goodwill is being amortized using the straight-line method over its estimated life of 16 to 24 years for assets on land leased in Jasper National Park. The Company assesses the continuing value of goodwill each year by considering current operating results, trends and projections. In the year of impairment in value, goodwill would be reduced by a charge to operations.

Income Taxes

Commencing on October 1, 2000, the Company implemented the recommendations of CICA Handbook Section 3465, Accounting for Income Taxes. Under the new recommendation, the liability method of tax allocation is used in accounting for income taxes. Under this method, future tax benefits and obligations are determined based on the temporary differences between the financial reporting and tax bases of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when these differences are expected to reverse. Future tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized.

2. ACCOUNTING POLICIES (Continued)

The recommendations were applied retroactively without restatement of prior years' financial statements. At October 1, 2000 future income tax liabilities of $2,255,000 were recorded and this amount was deducted from retained earnings at that date.

Prior to the adoption of the new recommendations, income tax exposure was determined using the deferral method of tax allocation.

Use of Estimates

The preparation of consolidated financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. NOTES RECEIVABLE

	2002	2001
Note receivable from a partnership in which the company is a 49% partner. The note is unsecured, non-interest bearing and is repayable on or before September 30, 2003.	$ 1,125,478	$ -
Note receivable from a shareholder and director. The note is unsecured, has no specific terms of repayment and bears interest at prime + 1%.	144,976	-
Note receivable repayable in monthly instalments bearing interest at 8.75% annually. The note is unsecured and repayable on or before November 15, 2002.	-	625,000
	1,270,454	625,000
Less current portion	1,125,478	625,000
	$ 144,976	$ -

4. PROPERTIES HELD FOR DEVELOPMENT

	2002	2001
Land and improvements	$ 1,165,195	$ 586,386
Leasehold interests in properties	445,000	445,000
Carrying costs	649,962	557,855
	$ 2,260,157	$ 1,589,241

Leasehold interests in properties include land located within Jasper National Park held under various leases that expire between 2010 and 2011. Carrying costs capitalized in the current year included property taxes and development costs.

Included in properties held for development is land with a value of $889,121 that is provided as security on long-term debt of an equity accounted investee.

5. RENTAL PROPERTIES

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 446,668	$ -	$ 446,668	$ 446,668
Buildings	2,239,510	331,278	1,908,232	1,878,512
Buildings on leased land	922,056	447,680	474,376	1,014,611
Parking lots	44,208	7,703	36,505	39,679
Signs	11,443	5,173	6,270	7,121
Condominiums on leased land	66,566	26,401	40,165	570,832
	$ 3,730,451	$ 818,235	$ 2,912,216	$3,957,423

Buildings on leased land are located within Jasper National Park on land held under various leases that expire between 2007 and 2022.

6. CAPITAL ASSETS

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 874,519	$ -	$ 874,519	$ 736,246
Tourism and hotel buildings	9,379,581	1,853,754	7,525,827	6,965,459
Retail buildings	1,948,373	634,124	1,314,249	1,202,523
Condominium	-	-	-	226,525
Tourism marine vessels	1,602,664	1,168,668	433,996	469,722
Parking lots	337,318	157,191	180,127	209,917
Furniture and equipment	6,987,739	4,769,207	2,218,532	2,112,283
Vehicles and machinery	1,135,181	568,298	566,883	994,093
Signs	147,552	92,069	55,483	39,319
	22,412,927	9,243,311	13,169,616	12,956,087
Assets on leased land				
Tourism buildings	10,232,075	3,480,133	6,751,942	7,049,620
Parking lots	122,874	47,568	75,306	80,112
Swimming pool	136,067	39,064	97,003	101,853
	10,491,016	3,566,765	6,924,251	7,231,585
	$32,903,943	$ 12,810,076	$20,093,867	$20,187,672

Included in capital assets is equipment with a cost of $204,000 (2001 - $253,477) and with accumulated amortization of $93,585 (2001 - $133,809) held under capital lease.

Assets on leased land are located within Jasper National Park on land held under various leases that expire between 2007 and 2022. Additions financed by capital lease were $29,425 (2001 - $74,595).

7. INVESTMENTS IN AND ADVANCES TO SIGNIFICANTLY INFLUENCED COMPANIES AND PARTNERSHIPS

	2001		2002			
	Ownership Percentage	Net Book Value	Advances and Investment in (from) Investee	Income (loss) from Investee	Dividends Recovered From Investee	Net Book Value
Significantly Influenced Companies, Partnerships:						
Thornton Court Hotel (a limited partnership)	49	$1,611,743	$ 521,332	$ (559,057)	$ -	$1,574,018
TBS Transfer Ltd.	50	75,322	-	-	-	75,322
Thomas Bus Sales (1990) Ltd.	50	471,178	(214,000)	-	(250,000)	7,178
Hinton Food Services Ltd.	50	490,000	90,000	(687,479)	-	(107,479)
Christmas in the Rockies (a partnership)	50	115,698	(500)	(7,846)	-	107,352
Maligne Rafting Adventures Ltd.	50	90,966	(10,000)	-	-	80,966
Rocky Mountain Christmas Ltd.	50	46,189	500	-	-	46,689
Bridgeton Properties Inc.	33	88,603	15,572	-	-	104,175
		2,989,699	402,904	(1,254,382)	(250,000)	1,888,221
Other investments		32,076	(2,500)	-	-	29,576
		$3,021,775	$ 400,404	$ (1,254,382)	$ (250,000)	$1,917,797

Advances to partnerships and significantly influenced companies are without interest and have no specified terms of repayment.

Investments do not have a quoted market value.

8. GOODWILL

	2002	2001
Cost	$ 715,000	$ 715,000
Accumulated amortization	(321,432)	(298,056)
	$ 393,568	$ 416,944

9. LONG-TERM DEBT

	2002	2001
Mortgages		
Mortgage bearing interest at prime plus 1%, repayable in blended monthly payments of $108,551, maturing in July, 2004. The mortgage is secured by first mortgages on certain land and buildings, an unlimited corporate guarantee, a general security agreement granting a floating charge over specific land, buildings, furniture and equipment, condominiums, and an assignment of rents.	$ 9,317,017	$ 10,102,682
Mortgage bearing interest at prime plus 2.5%, repayable in monthly payments of $6,650 plus interest, commencing June 2003 and maturing November 2015. The mortgage is secured by a first mortgage on specific land and buildings and a general security agreement providing a first security interest in all property of a subsidiary, including a specific first charge on furniture and equipment.	1,000,000	-
Mortgage bearing interest at a rate of prime plus 1.55%, maturing in 2010, repayable in blended monthly payments of $5,000. The mortgage is secured by specific rental properties.	349,479	380,345
Mortgage bearing interest at 5.99%, repayable in monthly blended payments of $704, maturing in April, 2003, secured by a first mortgage on rental property.	99,181	-
Mortgage bearing interest at a rate of 5%, payable monthly, principal repayable in full upon maturity in June, 2002 and is secured by a specific property held for development. This mortgage is owed to a corporation owned by a shareholder of the Company.	-	220,000
Term Loan		
Term loan bearing interest at prime plus 3%, repayable in monthly payments of $2,605 plus interest, maturing January 2008 and secured by specific charges against furniture and equipment.	166,893	-
Finance Contracts		
Finance contracts bearing interest between 0% and 10.5%, repayable in blended monthly payments totaling $4,388 maturing between June 2003 and March 2006. Secured by specific vehicles.	105,050	108,722

9. LONG-TERM DEBT (Continued)

	2002	2001
Bank Loans		
Demand bank loans bearing interest at rates of prime plus 1.75% to 2%, repayable in monthly payments totaling $84,700 including interest subject to annual loan renewal.	**5,666,284**	6,325,645
The above bank loans and operating line of credit are secured by demand debentures and general security agreements granting a fixed and floating charge over all assets of the Company and specific charges against certain properties held for development, rental properties, capital assets and assignment of rents and fire insurance proceeds covering all buildings, tourism marine vessels, furniture and equipment and inventories.		
Capital Leases		
Capital leases bearing interest of 6.4% to 9.86%, repayable in blended monthly payments totaling $3,937, maturing at various dates from July 2003 to May 2004. The leases are secured by specific equipment.	**98,335**	102,660
	16,802,239	17,240,054
Less current portion	**1,763,395**	1,556,067
	$ 15,038,844	$ 15,683,987

During the year, $29,425 in capital assets were acquired under capital lease.

Principal repayments due within the next five years, assuming bank loans subject to annual loan renewal, are refinanced under similar terms.

2003	$1,763,395
2004	1,845,614
2005	1,892,567
2006	1,786,344
2007	1,862,729

10. INCOME TAXES

Future Income Taxes

Future income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future tax assets and liabilities as of September 30, are as follows:

	2002	2001
Future tax assets:		
Future benefit of tax loss carry forwards	$ 115,000	$ 410,000
Unallocated losses from partnership	130,000	-
Total future tax assets	245,000	410,000
Future tax liabilities:		
Capital assets in excess of tax values	1,570,000	2,155,000
Net future tax liabilities	$ 1,325,000	$ 1,745,000

At September 30, 2002 the Company has net operating losses for income tax purposes available to be carried forward in the amount of $331,000. These losses expire as follows: 2006, $8,000; 2007, $42,000; 2008, $68,000; 2009 - $213,000. A future tax asset of $115,000 has been recognized in respect of these carry forwards. During the year losses of $970,000 were utilized and a benefit of $378,000 was recognized. The Company also has a 49% interest in a partnership which at September 30, has $349,000 of undistributed losses which will be available to the Company in its next fiscal year. A future tax asset of $130,000 has been recognized in respect of these losses.

Income Tax Expense

Significant components of the provision for income taxes are as follows:

	2002	2001
Current expense	$ 501,770	$ 697,447
Recovery of estimated taxes	(250,000)	(201,000)
	251,770	496,447
Future income taxes		
Future income tax recovery relating to origination and reversal of temporary differences.	(448,000)	(295,000)
Future income tax expense (benefit) resulting from recognition of loss carry forwards.	378,000	(20,447)
Future income tax benefit resulting from changes in the statutory rates	(350,000)	(435,000)
	(420,000)	(750,447)
Income tax recovery	$ (168,230)	$ (254,000)

10. INCOME TAXES (Continued)

Estimated Income Taxes

Certain consolidated subsidiaries of the Company have taxation years that are different from the Company's year-end. Current estimated income taxes of $535,000 (2001 - $500,000) and long-term estimated income taxes of $470,000 (2001 - $755,000) represent the income tax calculated on the income of these subsidiaries from the date of their latest taxation year to September 30, which is included in these consolidated financial statements. The subsidiaries' actual tax liabilities may differ.

The reconciliation of income tax attributable to current earnings computed at the statutory tax rates to income tax expense is as follows:

	2002	2001
Income taxes based on the combined statutory Canadian federal and provincial income tax rates	$ 218,770	$ 595,000
Tax effect of non-capitalized losses not previously recognized.	-	(135,000)
Tax effect of partnership losses not previously recorded.	(209,000)	-
Reduction in taxes resulting from statutory rate reductions:		
Future	(350,000)	(435,000)
Estimated	-	(90,000)
Non-taxable items included in accounting income	79,000	-
Reversing temporary difference	-	(295,000)
Large corporations tax	70,000	55,000
Other	23,000	51,000
	$ (168,230)	$ (254,000)

11. SHARE CAPITAL

	2002	2001
Authorized		
Unlimited Class A common shares		
Unlimited Class B restricted, non-voting shares		
100,000,000 first preferred shares		
20,000,000 preferred, redeemable shares, redemption price to be determined upon issuance		
Issued		
43,702,510 Class A common shares	$ 12,087,776	$ 12,087,776

There have been no changes in the number of common shares outstanding during the year. There are no options or warrants outstanding at year end.

12. ASSETS DESIGNATED FOR DISPOSAL

Subsequent to the year end, the company entered into an agreement to sell certain of its tourism and hotel assets. Accordingly, the net book value of the assets to be sold along with an appropriate amount of related debt have been shown as current items on the balance sheet.

13. CONTINGENCIES AND COMMITMENTS

a. The Company has issued letters of guarantees on behalf of companies over which it has significant influence in the aggregate amount of $169,450 as at September 30, 2002.

b. The Company has entered into long-term land lease commitments for land located in Jasper National Park which expire between 2007 and 2022. Land lease payments are based on the appraised value of the land determined every three years. Estimated lease payments for the next year are $192,000 under the current agreements.

c. The Company has entered into a long-term rental agreement for retail space in Jasper for $164,000 per year, which expires January 2007.

d. The Company has entered into a lease agreement with a company, which is a shareholder of the Company, for retail space which is renewed annually. Estimated annual lease payments amount to $17,000.

e. The Company is contingently liable as a guarantor of $4,782,476 of term loans of a 49% owned investment.

14. SUNDRY CASH FLOW INFORMATION

	2002	2001
Changes in non-cash working capital:		
Accounts receivable	$ 782,895	$ 127,441
Inventories	400,349	820,233
Prepaids	186,675	(253,879)
Accounts payable	279,525	(939,145)
Taxes payable	(250,005)	282,834
Estimated taxes payable	35,000	320,000
Inventory transferred to capital assets	-	(760,569)
	$ 1,434,439	$ (403,085)

15. FINANCIAL INSTRUMENTS

Financial instruments of the company consist of cash, accounts receivable, notes receivable, bank indebtedness, accounts payable and accrued liabilities and long-term debt.

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Company's cash flows, financial position and income. The risk relates primarily to long-term debt issued at floating interest rates. Currently, $16,499,673 of the Company's long-term debt is issued at floating interest rates. A 1% change in interest rates would change earnings before income taxes by $164,997.

Credit Risk

Credit risk arises from the potential that a counter-party will fail to perform its obligations. The Company is exposed to credit risk from customers. However, the Company has a large number of diverse customers, which minimizes concentration of credit risk.

Fair Value

Fair values approximate amounts at which these instruments could be exchanged in a current transaction between willing parties. Fair values are based on estimates using present value and other valuation techniques, that are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates which reflect varying degrees of risk. Therefore, due to their subjective and uncertain nature, fair value amount should not be interpreted as being realized in an immediate settlement of the instruments.

Current assets and liabilities are valued at their carrying values due to the relatively short period to maturity of these instruments. The fair value of notes receivable and investments in and advances to partnerships, significantly influenced companies and other investments are not determinable as these instruments lack an available trading market. The fair value of long-term debt is assumed to approximate carrying value as the existing rates represent the rates currently available to the Company and the majority of the debt is at interest rates that float with prevailing market rates.

16. RELATED PARTY TRANSACTIONS AND BALANCES

Significant transactions with related parties not disclosed elsewhere in these consolidated financial statements are as follows:

a) Transactions and balances with companies over which the Company has significant influence (20% to 50% equity interests):

		2002		2001
Rental and tourism revenue (i)	$	39,068	$	121,267
Retail revenue (i)		23,427		-
Dividends received (ii)		250,000		300,000
General and administrative expenses (i)		7,955		9,181
Management fees received (ii)		-		514,000
Capital asset disposals (ii)		-		12,208
Balances in accounts receivable		311		315,953
Balances in accounts payable		-		18,319

b) Transactions and balances with companies that are shareholders or corporations owned by shareholders of the Company:

		2002		2001
Rental and retail revenue (i)	$	163,603	$	20,376
Management fee expense (ii)		192,000		208,220
Rental expense (i)		71,353		41,625
Travel expense (i)		5,987		320
Vehicle repair expense (i)		27,009		3,619
Vehicles lease expense (i)		98,974		69,564
Vehicle purchase (ii)		12,304		92,995
Staff expense (ii)		89,510		1,762
Advertising fees expense (i)		39,629		18,660
Repairs and maintenance expense (i)		37,679		26,313
Interest expense (ii)		6,339		12,025
Capital assets purchased (ii)		659,048		372,149
Balances in accounts receivable		59,220		126,665

16. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

c) Transactions and balances with individuals who are shareholders of the Company, directors of the Company, or shareholders of companies over which the Company has significant influence (20% to 50% interest):

		2002		2001
Rental revenue (i)	$	-	$	1,877
Legal expense (i)		7,808		4,451
Directors' fees expense (ii)		6,000		6,000
Vehicle lease expense (i)		21,880		9,836
Capital assets sold (ii)		217,465		-
Balance in accounts receivable		-		8,723
Balance in notes receivable		144,976		-

d) Transactions and balances with a company controlled by an individual in the Company's management:

		2002		2001
Retail revenue (i)	$	18,266	$	22,067
Management fee expense (ii)		16,500		28,785
Balance in accounts receivable		-		3,538
Balance in accounts payable		-		1,689

The above transactions have been recorded at:

(i) market rates; or
(ii) exchange rates as agreed between the related parties

The balances have normal terms and conditions.

17. COMPARATIVE FIGURES

Certain of the prior year figures have been reclassified to conform to the current year's presentation.

18. SEGMENTED INFORMATION

The Company operates primarily in three industries – tourism and hotels, retail and rental. Tourism and hotel operations include providing recreational services at Maligne Lake in Jasper National Park, Alberta, and hotel accommodations in Jasper, Hinton, Spruce Grove and Stony Plain, Alberta as well as parts of eastern British Columbia. Retail operations comprise the marketing of a variety of goods in various locations throughout Alberta. Rental operations consist of renting commercial and residential properties in various locations in Alberta.